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Re: Installation of Wet Sulfuric Acid Technology at the Tokai Carbon Borger Plant

Dear Sir/Madame:

This letter is to give you an update on the installation of pollution control equipment required under our Consent Decree (CD) for SO₂ and NO_x at our Borger Plant. As you may recall, Tokai received permission under the terms of the CD to install Wet Sulfuric Acid (WSA) technology at the plant. Under the terms of the CD, the control equipment is required to be installed and operational by April 1, 2021.

Tokai began the installation of the technology on schedule, but was recently notified by the equipment vendor that, because the WSA technology converts the SO₂ emissions to sulfuric acid, the back-end equipment in our process must be lined with an acid resistance lining to prevent corrosion of the metal. These pieces of equipment include the condenser outlet ducting, the downstream ducts, and the stack that emits the treated flue gas to the atmosphere. In order for the epoxy lining to properly cure, the ambient temperature cannot dip below 55 °F at any time in a 24-hour period for 5 to 7 days.

The installation of this liner requires personnel to enter the equipment and install the liner by adhering it to the surface of the metal with an epoxy coating. It is also the standard practice to do this once the stack is erected. The contractor for this project informed us that the temperature during the installation must be greater than 55 °F. We assumed that this could be done during the day shifts during the months of March and April 2021.

However, the curing of the epoxy must also occur at temperatures greater than 55 °F and this usually takes place overnight. Our project team had initially planned for the initial installation, not the overnight curing. There is no issue with the ducting because these sections are insulated and can be kept warm overnight. The issue is specific to the stack since it is not insulated. While this stack can be heated and be over 55 °F, the overnight temperature is the issue as temperatures in Borger can drop below 55 °F.

The contractor has cautioned us that the potential low overnight temperatures could affect the curing of the epoxy due to the cold outer surface temperature. For this reason, they will not guarantee the performance of the liner in the stack if the ambient temperature falls below 55 °F anytime during the entire process. The weather data show that the temperatures in Borger do not exceed 55 °F on a continuous basis until mid-May. The contractor has stated that they will void the equipment warranty if the temperature falls below 55 °F anytime during the entire epoxy application and curing process. There are 8 field joints to be installed with the liner; each joint requires 5-6 days to complete. The total field installation time is about 2.5 months. In addition to the void of warranty, improper installation may also cause a premature failure of the joints. A premature failure will require a repair which will be detrimental to our operations. This is a risk that TCCB cannot take.

We will begin the installation on schedule but will not likely be able to install the coating until mid-May or the beginning of June when temperatures consistently meet the vendor's requirements. As a result, we would like to request a delay in full operation of the equipment until July 15, 2021 to ensure that it is installed in accordance with the contractor's recommendations and warranty. We would also ask that any CD obligations that require that certain activities will be performed at specified interval once the control equipment is operational are keyed off the July 15, 2021 date.

Despite the delayed start of this project due to the Orion litigation seeking to enjoin us from installing the control technology and the business interruptions caused by the Covid-19 pandemic, the Tokai project team has worked diligently to keep this project on schedule. As can be seen by the attached table (Attachment 1 - BORGER WSA SCHEDULE TRACKING), we are on track to have every task completed by April 15, 2021.

Thank you for your consideration of our request and please let me know if you have questions or need additional information. If I do not hear from EPA or DOJ within 30 days of sending this letter, Tokai will proceed as outlined above to avoid any delays in the implementation schedule.

Sincerely,



Long B. Nguyen